

Statement on principal adverse impacts of investment decisions on sustainability factors of Intesa Sanpaolo Vita Insurance Group

Participant in financial markets: Intesa Sanpaolo Vita Insurance Group

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1. Summary

The Intesa Sanpaolo Vita Insurance Group (later also "Group" or "Insurance Group") takes into consideration the principal adverse effects of investment decisions on sustainability factors (generally referred to as PAI) and has prepared this disclosure pursuant to Article 4¹ of the Sustainable Finance Disclosure Regulation (SFDR).

The following statement regarding the principal adverse effects of investment decisions on sustainability factors (hereinafter, also referred to as the "Statement") covers the reference period from 1 January to 31 December 2023 and takes into account all mandatory indicators applicable to companies, sovereign issuers and supranational organisations present in table 1 of Annex I of Delegated Regulation (EU) 2022/1288, and also the following optional indicators which are contained, respectively, in tables 2 and 3 of Annex I of the same Regulation:

- investments in companies without carbon emission reduction initiatives;
- lack of anti-corruption and anti-bribery policies.

These indicators have been identified in accordance with the sustainability objectives set by the Insurance Group in line with the Intesa Sanpaolo Group and in relation to adherence to relevant conventions as well as current regulations.

The perimeter of calculation of the indicators takes into consideration investments included in the aggregates of the prudential balance sheet, as defined in Implementing Regulation (EU) 2015/2452, excluding exposures in terms of liquidity, mortgages and loans and derivatives present in a portfolio with non-significant values.

The values of the indicators presented are the average of four surveys which were processed using portfolio data as of 31 March, 30 June, 30 September and 31 December 2023 and the latest available data (April 2024) on the environmental and social impacts of investments provided by a specialist infoprovider Morgan Stanley Capital International (hereafter also only "MSCI"²) at the time of the drafting of the Statement. The calculation methodologies which have been developed were defined in compliance with current regulations, in a manner coherent with the methods established by the infoprovider and determined on the basis of a single indicator.

¹ "Financial market participants shall publish and maintain on their websites:

(a) where they consider principal adverse impacts of investment decisions on sustainability factors, a statement on due diligence policies with respect to those impacts, taking due account of their size, the nature and scale of their activities and the types of financial products they make available; or

(b) where they do not consider adverse impacts of investment decisions on sustainability factors, clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts"

² <https://www.msci.com>.

The Group has launched a process whereby the PAIs are taken into consideration. The process is implemented through an evaluation of the performance levels of the indicators with the aim of assessing their trends over time and monitoring and directing investment activities so as to obtain a progressive reduction of the impacts generated by investments in enterprises and sovereign issuers which are deemed to be critical.

In fact, the Group believes that most economic activities are capable of influencing numerous sustainability indicators both positively and negatively. These assessments can take on significant connotations at different stages of the investment process, requiring periodical monitoring.

Notwithstanding the fact that the negative impact of investment decisions on sustainability factors must be considered according to the various ranges of activities and the geographical areas and sectors to which the investments are exposed, it is considered that adequate monitoring of exposure to social and environmental issues is a priority with regard to the mitigation of the potential negative effects of any investments that are made.

In particular, as detailed below (see [Section 3](#)), the Group limits investments in issuers:

- "not "socially responsible", referring to sustainability issues: unconventional arms, thermal coal, unconventional oil & gas;
- "critical", characterized by an ESG rating level of "CCC" assigned by the infoprovider;
- that do not comply with "good governance" practices, applied only to products or investment options classified as Art. 8 or 9 SFDR.

For these reasons, the assessment of the main adverse effects caused by investments is, for the Group, a significant aspect of the investment process involving both the integration of ESG factors and SRI (Sustainable and Responsible Investment) principles and the implementation of a robust risk management and control process.

2. Description of the principal adverse impacts on sustainability factors

To facilitate understanding of the tables below, definitions of exposure and coverage are given in the "Explanation" column:

- exposure, i.e., the share of asset classes relevant to the metric under analysis in relation to total investments;
- coverage, calculated in relation to exposure in the asset classes relevant for the metric to be calculated:
 - direct and indirect investments in corporate bonds and equities: PAI 1-14 of Table 1, PAI 4 of Table 2, and PAI 15 of Table 3;
 - direct and indirect investments in bonds of sovereign States: PAI 15-16 of Table 1.

Both indicators follow the classification below:

- main: over 70% of the value of the assets;
- prevalent: between 50% and 70% of the assets' value;
- significant: between 30% and 50% of the assets' value;
- limited: between 10% and 30% of the assets' value;
- residual: less than 10% of the assets' value.

For illustrative purposes, assuming that a portfolio is composed of 45% corporate assets and 55% government assets, for a PAI referring to the corporate component (e.g. PAI 2 - "Carbon Footprint"), there would be an exposure equal to "significant". If the corporate component, would have data availability equal to 90%, the coverage would be classified as "main".

Table 1

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	3,455.758 tCO ₂	3,521.843 tCO ₂ (4,028.276 tCO ₂)	<p>Exposure in investee companies: significant Coverage: main</p> <p>For the year 2022, the value calculated using the same methodology as for 2023 is also shown in parentheses in order to make the values for the two reference periods more comparable. See the "Methodological considerations for calculation" section for further details.</p> <p>Scope 3 GHG emissions are estimated values. In the future it is envisaged that reliance will be placed upon the values reported directly by the companies.</p> <p>The following initiatives were undertaken by the Group:</p> <ul style="list-style-type: none"> - Affiliation with the "Net Zero Asset Owner" Alliance, the members of which are committed to achieving zero emission of "greenhouse gas" (<i>i.e.</i> gases that contribute to an accentuation of the so-called "greenhouse effect") with respect to their investment portfolio before and in any case not later than 2050. In addition, on the "Direct Investments" of segregated funds and own funds, intermediate targets have been set to reduce "Carbon Intensity by EVIC" by 50% by 2029, to be reported in 2030; -Exclusions: the Group does not invest in issuers i) found to have at least 20% (the % value reduced to 18% during 2024) of their turnover deriving from mining activities and the production of electricity linked to thermal coal and ii) companies which have coal-fired power plants currently under construction or which present new thermal coal projects, including thermal coal stations, coal mines and the relative infrastructures (involving the supply of products or services for projects
		Scope 2 GHG emissions	702.749 tCO ₂	648.598 tCO ₂ (758.954 tCO ₂)	

Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
2. Carbon footprint		Scope 3 GHG emissions	24.868.604 tCO ₂	25.966.043 tCO ₂ (29.553.253 tCO ₂)		<p>or business models based on thermal coal) which are in the pre-construction phase.</p> <p>- Engagement: the Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (see "active ownership - engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).</p>
		Total GHG emissions	29.794.870 tCO ₂	30.092.530 tCO ₂ (34.405.370 tCO ₂)		
		Carbon footprint	167 tCO ₂ /mil.€	165 tCO ₂ /mil.€ (187 tCO ₂ /mil.€)	<p>Exposure in investee companies: significant Coverage: main</p> <p>For the year 2022, the value calculated using the same methodology as for 2023 is also shown in parentheses in order to make the values for the two reference periods more comparable. See the "Methodological considerations for calculation" section for further details.</p>	<p>The following initiatives were undertaken by the Group:</p> <p>- Affiliation with the "Net Zero Asset Owner" Alliance, the members of which are committed to achieving zero emission of "greenhouse gas" (i.e. gases that contribute to an accentuation of the so-called "greenhouse effect") with respect to their investment portfolio before and in any case not later than 2050. In addition, on the "Direct Investments" of segregated funds and own funds, intermediate targets have been set to reduce "Carbon Intensity by EVIC" by 50% by 2029, to be reported in 2030;</p> <p>-Exclusions: the Group does not invest in issuers i) found to have at least 20% (the % value reduced to 18% during 2024) of their turnover deriving from mining activities and the production of electricity linked to thermal coal and ii) companies which have coal-fired power plants currently under construction or which present new thermal coal projects, including thermal coal stations, coal mines and the relative infrastructures</p>

Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
3.						<p>(involving the supply of products or services for projects or business models based on thermal coal) which are in the pre-construction phase</p> <p>- Engagement: the Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (see "active ownership – engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).</p>
	GHG intensity of investee companies	GHG intensity of investee companies	339 tCO ₂ /mil.€	941 tCO ₂ /mil.€ (345 tCO ₂ /mil.€)	<p>Exposure in investee companies: significant Coverage: main</p> <p>For the year 2022, the value calculated using the same methodology as for 2023 is also shown in parentheses in order to make the values for the two reference periods more comparable. See the "Methodological considerations for calculation" section for further details.</p>	<p>The following initiatives were undertaken by the Group:</p> <p>- Affiliation with the "Net Zero Asset Owner" Alliance, the members of which are committed to achieving zero emission of "greenhouse gas" (i.e. gases that contribute to an accentuation of the so-called "greenhouse effect") with respect to their investment portfolio before and in any case not later than 2050. In addition, on the "Direct Investments" of segregated funds and own funds, intermediate targets have been set to reduce "Carbon Intensity by EVIC" by 50% by 2029, to be reported in 2030;</p> <p>- Exclusions: the Group does not invest in issuers i) found to have at least 20% (the % value reduced to 18% during 2024) of their turnover deriving from mining activities and the production of electricity linked to thermal coal and ii) companies which have coal-fired power plants currently under construction or which present new thermal coal projects, including thermal coal stations, coal mines and the relative infrastructures (involving the supply of products or services for projects or business models based on thermal coal) which are in the pre-construction phase</p>

Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
						<p>- Engagement: the Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (see "active ownership - engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in enterprises active in the fossil fuel sector	3,57%	3,83%	Exposure in investee companies: significant Coverage: main	<p>The following initiatives were undertaken by the Group:</p> <p>- Exclusions: the Group does not invest in issuers i) found to have at least 20% (the % value reduced to 18% during 2024) of their turnover deriving from mining activities and the production of electricity linked to thermal coal and ii) companies which have coal-fired power plants currently under construction or which present new thermal coal projects, including thermal coal stations, coal mines and the relative infrastructures (involving the supply of products or services for projects or business models based on thermal coal) which are in the pre-construction phase;</p> <p>- companies that derive at least 10% of their revenues from unconventional oil & gas extraction activities;</p> <p>- Engagement: the Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (see "active ownership - engagement").</p>

Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
						Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	25,45%	68,69% (26,96%)	<p>Exposure in investee companies: significant Coverage: main</p> <p>For the year 2022, the value calculated using the same methodology as for 2023 is also shown in parentheses in order to make the values for the two reference periods more comparable. For further details, see the section Methodological considerations for the calculation</p>	<p>The following initiatives were undertaken by the Group:</p> <p>- Exclusions: the Group does not invest in issuers i) found to have at least 20% (the % value reduced to 18% during 2024) of their turnover deriving from mining activities and the production of electricity linked to thermal coal and ii) companies which have coal-fired power plants currently under construction or which present new thermal coal projects, including thermal coal stations, coal mines and the relative infrastructures (involving the supply of products or services for projects or business models based on thermal coal) which are in the pre-construction phase;</p> <p>- Engagement: the Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (see "active ownership - engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).</p>
	6. Energy consumption intensity per high	NACE A energy consumption intensity	0,00 GWh/mil.€	0,00 GWh/mil.€ (0,00 GWh/mil.€)	Exposure in investee companies: significant Coverage: limited	<p>The following initiatives were undertaken by the Group:</p> <p>- Exclusions: the Group does not invest in issuers i) found to have at least 20% (the % value reduced to 18%</p>

Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
	climate impact sector	NACE B energy consumption intensity	0,00 GWh/mil.€	0,06 GWh/mil.€ (0,00 GWh/mil.€)	<p>The denominator calculation boundary considers the totality of investments in beneficiary enterprises, regardless of the relevant NACE³ sector.</p> <p>For the year 2022, the value calculated using the same methodology as for 2023 is also shown in parentheses in order to make the values for the two reference periods more comparable. See the "Methodological considerations for calculation" section for further details.</p>	<p>during 2024) of their turnover deriving from mining activities and the production of electricity linked to thermal coal and ii) companies which have coal-fired power plants currently under construction or which present new thermal coal projects, including thermal coal stations, coal mines and the relative infrastructures (involving the supply of products or services for projects or business models based on thermal coal) which are in the pre-construction phase;</p> <p>- Engagement: the Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (see "active ownership - engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).</p>
		NACE C energy consumption intensity	0,01 GWh/mil.€	0,25 GWh/mil.€ (0,02 GWh/mil.€)		
		NACE D energy consumption intensity	0,00 GWh/mil.€	0,24 GWh/mil.€ (0,00 GWh/mil.€)		
		NACE E energy consumption intensity	0,00 GWh/mil.€	0,01 GWh/mil.€ (0,00 GWh/mil.€)		
		NACE F energy consumption intensity	0,00 GWh/mil.€	0,00 GWh/mil.€ (0,00 GWh/mil.€)		
		NACE G energy consumption intensity	0,00 GWh/mil.€	0,01 GWh/mil.€ (0,00 GWh/mil.€)		
		NACE H energy consumption intensity	0,00 GWh/mil.€	0,03 GWh/mil.€ (0,00 GWh/mil.€)		
		NACE L energy consumption intensity	0,00 GWh/mil.€	0,01 GWh/mil.€ (0,00 GWh/mil.€)		

³ The term NACE is an abbreviation of the name of the four-digit classification of economic activities adopted by the EU, originating from the French version "Nomenclature statistique des activités économiques."

Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Biodiversity	7. Activities negatively affecting biodiversity-sensitive area	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	3,25%	0,02%	<p>Exposure in investee companies: significant Coverage: main</p> <p>In the first quarter of 2024, MSCI refined and expanded the information collected for the calculation of this indicator (e.g., screening process of biodiversity-related activities and controversies), resulting in a significant change.</p>	<p>The Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (see "active ownership - engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).</p>
Water	8. Emissions into water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,20 t/mil.€	<p>1,08 t/mil.€ (134 t/mil.€)</p>	<p>Exposure in investee companies: significant Coverage: residual</p> <p>For the year 2022, the value calculated using the same methodology as for 2023 is also shown in parentheses in order to make the values for the two reference periods more comparable. See the "Methodological considerations for calculation" section for further details.</p> <p>During 2023 MSCI put in place a data quality review process, adjusting some of the values previously reported.</p>	<p>The Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (see "active ownership - engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).</p>

Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1,79 t/mil.€	1,13 t/mil.€ (3,02 t/mil.€)	<p>Exposure in investee companies: significant Coverage: significant</p> <p>For the year 2022, the value calculated using the same methodology as for 2023 is also shown in parentheses in order to make the values for the two reference periods more comparable. See the "Methodological considerations for calculation" section for further details.</p>	<p>The Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (i.e. "active ownership - engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).</p>
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,15%	0,47%	<p>Exposure in investee companies: significant Coverage: main</p>	<p>The Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (i.e. "active ownership - engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).</p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for	0,21%	11,59%	<p>Exposure in investee companies: significant Coverage: main</p> <p>In the first quarter of 2024, MSCI refined and expanded the information collected for the calculation of this indicator (e.g., screening process of policies adopted</p>	<p>The Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (i.e. "active ownership - engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the</p>

Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
	Guidelines for Multinational Enterprises	Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			to monitor compliance with UN Global Compact principles and/or OECD Guidelines), resulting in significant change.	effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	4,61%	14,92% (5,74%)	Exposure in investee companies: significant Coverage: significant For the year 2022, the value calculated using the same methodology as for 2023 is also shown in parentheses in order to make the values for the two reference periods more comparable. See the "Methodological considerations for calculation" section for further details.	The Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (i.e. "active ownership – engagement"). Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	14,51%	35,76% (13,80%)	Exposure in investee companies: significant Coverage: main For the year 2022, the value calculated using the same methodology as for 2023 is also shown in parentheses in order to make the values for the two reference periods more comparable. See the "Methodological considerations for calculation" section for further details.	The Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (i.e. "active ownership – engagement"). Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).
	14. Exposure to controversial weapons (anti-	Share of investments in investee	0,01%	0,02%	Exposure in investee companies: significant Coverage: main	The following initiatives were undertaken by the Group: - Exclusion: the Group does not invest in issuers operating in sectors deemed to be not "responsible".

Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
	personnel mines, cluster munitions, chemical weapons and biological weapons)	companies involved in the manufacture or selling of controversial weapons				<p>Companies characterised by an evident direct involvement in the manufacture of unconventional weapons (e.g., anti-personnel mines; cluster bombs; nuclear weapons; depleted uranium; biological weapons; chemical weapons; invisible fragmentation weapons; blinding lasers; incendiary weapons and white phosphorus) are defined as issuers operating in sectors deemed to be not "socially responsible".</p> <p>Engagement: the Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (i.e. "active ownership-engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).</p>
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS						
Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	128 tCO ₂ /mil.€	269 tCO ₂ /mil.€ (144 tCO ₂ /mil.€)	<p>Exposure in sovereign issuers: prevalent Coverage: main</p> <p>For the year 2022, the value calculated using the same methodology as for 2023 is also shown in parentheses in order to make the values for the two reference periods more comparable. See the "Methodological considerations for calculation" section for further details.</p>	The Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).

Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	9 Countries	9 Countries	Exposure in sovereign issuers: prevalent Coverage: main	The Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).
			2,56%	2,38%		
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS						
Adverse sustainability indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	It is difficult to find data relating to this indicator. At present there are no significant exposures in the portfolio in Real Estate investments.	The Group undertakes to engage in periodical monitoring to verify whether exposures in real estate assets actually remain residual and also to ascertain the occurrence of any evolution in the available data.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	It is difficult to find data relating to this indicator. At present there are no significant exposures in the portfolio in Real Estate investments.	The Group undertakes to engage in periodical monitoring to verify whether exposures in real estate assets actually remain residual and also to ascertain the occurrence of any evolution in the available data.

Table 2

Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability indicator	Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	8,95%	10,82%	<p>Exposure in investee companies: significant Coverage: prevalent</p> <p>The following initiatives were undertaken by the Group:</p> <ul style="list-style-type: none"> - Affiliation with the "Net Zero Asset Owner Alliance", the members of which are committed to achieving zero emission of "greenhouse gas" (i.e. gases that contribute to an accentuation of the so-called "greenhouse effect") with respect to their investment portfolio before and in any case not later than 2050. In addition, on the "Direct Investments" of segregated funds and own funds, intermediate targets have been set to reduce "Carbon Intensity by EVIC" by 50% by 2029, to be reported in 2030; - Exclusions: the Group does not invest in issuers i) found to have at least 20% (the % value reduced to 18% during 2024) of their turnover deriving from mining activities and the production of electricity linked to thermal coal and ii) companies which have coal-fired power plants currently under construction or which present new thermal coal projects, including thermal coal stations, coal mines and the relative infrastructures (involving the supply of products or services for projects or business models based on thermal coal) which are in the pre-construction phase. - Engagement: the Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (i.e. "active ownership – engagement"). <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive).</p>

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator	Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	0,38%	2,05%	<p>Exposure in investee companies: significant Coverage: main</p> <p>During 2023 MSCI put in place a data quality review process, adjusting some of the values previously reported.</p> <p>The Group promotes proactive interaction with the issuing companies, through the exercise of intervention and voting rights, also with the aid of Delegated Managers, and also through a dialogue with investee companies, encouraging effective communication with the management of the entities in question (i.e. "active ownership – engagement").</p> <p>Finally, the Group undertakes to continue developing its Sustainability Policies, with a view to promoting the effective integration of environmental, social and governance factors in the investment process, also through the adoption of new screening strategies (negative and/or positive)</p>

3. Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Governance of Policies and activities relating to the PAIs

Intesa Sanpaolo Vita Insurance Group has adopted specific guidelines for the consideration of sustainability risks and impacts on sustainability factors within the sphere of management of its investment process.

In particular, the Group has adopted the Policy for the integration of ESG sustainability factors (hereinafter the "Policy") in its investment process (last update: April 2024). This Policy is reviewed at least on an annual basis and is approved by the Board of Directors of Intesa Sanpaolo Vita, in its capacity as the "Ultimate Italian Parent Company" (in Italian: "USCI, Ultima Società Controllante Italiana"). The Group Companies, in turn, implement the policy approved by the "USCI".

The Policy defines the application of exclusions or restrictions with respect to the Investment Universe of the individual assets managed in relation to issuers operating in sectors deemed to be not "socially responsible", such as:

- companies characterised by an evident direct involvement in the manufacture of unconventional weapons⁴;
- companies that derive at least 18% of their turnover from mining or electricity production activities related to thermal coal⁵;
- companies that derive at least 10% of their turnover from unconventional⁶ oil & gas extraction activities;
- companies submitting new thermal coal-related projects, including thermal coal-fired power plants, coal mines and related infrastructure (i.e. the provision of products or services to thermal coal-based projects or business models) that are in the pre-construction phase.

Further exclusions or restrictions defined by the Group concern issuers defined as "critical" and deemed to be companies characterised by a higher exposure to environmental, social and corporate governance risks.

In addition, exclusions are applied against issuers that do not comply with good governance practices assessed with reference to the presence of sound management structures, staff relations, related remuneration and compliance with tax obligations. This exclusion criterion is applied only to investment products or options classified Articles 8 or 9 SFDR.

⁴ Anti-personnel mines, cluster bombs, nuclear weapons, depleted uranium, biological weapons, chemical weapons, invisible fragmentation weapons, blinding lasers, incendiary weapons, and white phosphorus.

⁵ The Group recognizes the importance of adopting a phase-out approach in the use of coal for power generation without the use of carbon capture and storage (CCS) technologies. This approach is in line with the 1.5°C pathways outlined by the Intergovernmental Panel on Climate Change (IPCC).

⁶ Revenues from all forms of unconventional oil and gas extraction (oil sands, oil shale, shale gas, shale oil, gas from coal) and revenues related to Arctic oil and gas production.

The policy also provides for the assessment of the level of integration of Socially Responsible Investing (SRI) and/or ESG factors and related sustainability risks within the sphere of the selection and monitoring process of Collective Investment Undertakings (CIU).

Furthermore, the Group has adopted a specific Policy for the identification and prioritisation of the principal negative impacts on sustainability factors (as known as "PAI Policy", whose last update was in December 2023). This policy is subject to review at least on an annual basis, is approved by the Board of Directors of the Insurance Parent Company Intesa Sanpaolo Vita. The latest version currently in force was approved in December 2023.

In addition to identifying the roles and responsibilities of corporate functions involved in the operational implementation of the activities envisaged for the consideration of PAIs, the PAI Policy defines the various phases of management of the process:

- identification and prioritisation of PAI indicators, providing for consultation with the competent Committee;
- calculation and monitoring of the PAIs;
- identification of the activities which will allow for a mitigation of negative impacts on sustainability factors, providing for consultation with the competent Committee if necessary;
- preparation of the "Statement on principal adverse impacts of investment decisions on sustainability factors".

Identification and prioritisation of the PAI indicators

The identification and prioritisation of the PAIs was implemented, taking into consideration various conventions, international standards and best practices (e.g., the principles of the United Nations Global Compact, Guidelines of the Organisation for Economic Co-operation and Development (OECD) intended for multinational companies, United Nations Environment Programme Finance Initiative (UNEP FI), Principles for Sustainable Insurance (PSI)) and was carried out in a manner coherent with the sustainability objectives set by the Group:

- to promote sustainable finance with the aim of favouring the combat against climate change and the rational use of all production factors, including natural resources and human capital;
- to guide the choices of investors towards responsible forms of investment, pursuing the achievement of financial performance in line with the particular expectations of the investors;
- to promote sustainable development by steering investments towards those economic entities that advocate responsible behaviour, fully respecting people (e.g., employees, suppliers, customers), the environment (e.g., reduction of greenhouse gases and pollution, waste management) and good corporate governance (e.g., composition of the board of directors, long-term oriented transparent remuneration policies).

In addition, the criteria taken into consideration also include the following:

- requirements set by the regulations;

- an analysis of the level of complexity and availability of data useful for calculating each indicator within the investment universe, considering the percentage of enterprises that provide evidence of this information;
- consistency between the indicators and the investment objectives within the ESG framework of the Group;
- the relevance of the issue for the Group (positioning of the Group, type of investments, business activities);
- the list of sectors which are not deemed to be “socially responsible”;
- the degree of complexity in monitoring (e.g., understanding of the significance of the values assumed by the metrics) and the consequent possibility of defining possible actions to mitigate the effects.

Taking into account the principles, objectives and criteria indicated above, the Group has identified as priorities:

- Indicators on social and personnel issues, respect for human rights, and issues related to active and passive anti-corruption applicable to investments in corporate issuers:
 - PAI 2 – Carbon footprint;
 - PAI 3 - GHG intensity of investee companies;
 - PAI 4 - Exposure to companies active in the fossil fuel sector;
 - PAI 7 - Activities negatively affecting biodiversity-sensitive area;
- Indicators on social and personnel issues, human rights compliance, and active and passive anti-corruption issues applicable to investments in corporate issuers:
 - PAI 13 – Board gender diversity;
 - PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons);
- Indicators applicable to investments in sovereign issuers and supranational organizations:
 - PAI 15 - GHG intensity (GHG emissions as a ratio of GDP);
 - PAI 16 - Investee countries subject to social violations.

Methodological considerations for calculation

For the purpose of calculating indicators, the Group has adopted a specific application, allowing for the calculation of the PAI indicators at the level of an individual issuer/investment fund and an aggregation of the values obtained in order to acquire the values of the indicators at the Group level. The published values represent the average of values calculated in four surveys, using portfolio data as of 31 March, 30 June, 30 September and 31 December 2023 and the latest available data (April 2024) on the environmental and social impacts of investments provided by a specialist infoprovider at the time the Statement was prepared.

The PAI indicators are calculated by means of formulas elaborated following the indications provided by regulatory provisions and the methodologies applied by the infoprovider as of the processing date (May 2024). As far as indirect investments (CIUs, ETFs,...) are concerned, the PAI values are provided at the fund level (CIUs, ETFs,...) by the infoprovider and are

traced back to specific aspects of the Group's investment portfolio (e.g., the amount invested in a single fund and the total of investments of the Group).

In accordance with the document "*Final Report on draft Regulatory Technical Standards on the review of PAI and financial product disclosures in the SFDR Delegated Regulation*"⁷, published by the ESAs (European Supervisory Authorities) on December 4th, 2023, the methodology for calculating all PAIs was standardized. For this reason, in the Tables in Section 2, it was decided to indicate for the year 2022, where relevant, also the value recalculated according to the new methodology (reporting it in parentheses), because otherwise, a comparison between the two measurements would not have been possible. Specifically:

- PAI 3, 5, 6, 12, 13 e 15 in Table 1, unlike last year's reporting in which only portfolio exposures relevant to that indicator were calculated, are now calculated by considering all direct investments in sovereign issuers, companies benefiting from investments and the entire amount invested in funds;
- PAI 1, 2, 8 e 9 in Table 1 for the year 2022 are calculated by setting at zero the contribution of investment beneficiary companies and sovereign issuers for which the indicator value was not available, both in direct investments and in investments through funds and ETFs (indirect); for 2023 indicators, on the other hand, where information on companies benefiting from investment and/or sovereign issuers is not available, the average value calculated on the basis of available data shall be assigned;
- moreover, PAI 7, 8 e 11 of Table 1 and PAI 15 of Table 3 during 2023 and early 2024, were involved in the process of refinement of the calculation methodology and data quality by the infoprovider that has determined a significant change in values compared to the reporting for the year 2022.

In general, the improvement of data quality process performed by MSCI in 2023 can be detected in all PAI.

Details providing clarification of the methodology relating to the methods of calculating the PAI indicators are indicated below:

Scope	Description of the margin of error
Current value of investments	In the indicator calculation formulas the regulatory provisions require the use of the current value of investments, defined as the value (in euro) of the investments made by the financial market participant in the investee company. The Group identifies this value as the market value - as of 31 March, 30 June, 30 September and 31 December - of investments in companies, funds and sovereign issuers.
Current value of investments - EVIC	Some indicators require the calculation of the current value of the investment relative to the valuation used in the EVIC calculation (value of the company, including cash and cash equivalents), in order to represent the

⁷ Final Report on draft Regulatory Technical Standards on the review of PAI and financial product disclosures in the SFDR Delegated Regulation, December 2023.

	change in the current value of the investment as a change in the number of holdings held, sterilizing the market effect. Since this figure is not always clearly definable (e.g., in the case of maturing bonds) or available (e.g., in the case of instruments no longer in place), the valuation was calculated using prices relative to the date of recognition. As a result, the PAI indicator value may have overestimates or underestimates.
Current value of all investments	The manner in which the current value of all investments is calculated considered all of the investments that fall within the scope of application.
Infoprovider and the availability of data	<p>The methodologies described above are subject to the availability and quality of available data. At present, the Group acts on the basis of the methodologies adopted and using the data provided by the well-established, specialist market infoprovider (MSCI) to feed the internally developed application for the calculation of indicators. The Group bases its assessments on the values of the PAI indicators presented by the infoprovider at the level of each individual fund (CIUs, ETFs,...), subsequently traced back to the reality of its portfolio, using specific formulas, and taking into account, for example, the amount invested in an individual fund and the total value of the Group's investments, and does not perform a "look-through" analysis in order to identify the investments underlying indirect investments. Given the importance of data, the Group is committed to the continuous improvement of the coverage and quality of the same, periodically verifying the presence of any new solutions which may improve the quality and completeness of the reporting.</p> <p>Some indicators require the use of EVIC to determine the share of impact to be taken into account. Since the data provided by the infoprovider in relation to the companies receiving investments are not always up to date, the value of the PAI indicator may have overestimates or underestimates.</p>
Estimates in the absence of data	In order to comply with the request for best efforts made by current regulation, in the absence of timely data from the investee companies, estimates made by the infoprovider based on internal methodologies are used in the calculation. As a result, the value of the PAI indicator may be overestimated or underestimated.
Liquidity, mortgages and loans and derivatives	Liquidity exposures, mortgage loans and other loans and derivatives present in the portfolio with non-significant values are currently excluded from the calculation of the indicators.
Indicators applicable to real estate assets	In relation to indicators applicable to real estate investments, at present there are no significant and direct exposures to real estate investments in the portfolio and there is also a lack of data from the infoprovider with respect to this type of investment. Consequently, in this

	initial phase the Group limits itself to periodically monitoring the aforementioned exposures to ascertain whether they remain residual and verifying whether any development occurs with regard to available data.
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Evaluation of the principal negative impacts

In addition to identifying the indicators and processing the data for the purpose of compiling this Statement, quarterly the Group carries out an analysis of the PAI indicators, adopting monitoring and management methodologies which allow for:

- an evaluation of the values of PAI indicators over time;
- the analysis of the performance of the Group's investments with respect to the various indicators.

In particular, the monitoring process provides for the identification of any indicators that present values deemed to be anomalous or not in line with the commitments undertaken by the Group for extended periods. In cases considered relevant, specific investigations will be carried out with the aim of identifying the causes, including through a drill-down of the indicator at the individual investment level, to identify which of these should become subject to any targeted activities for the management of negative impacts (e.g., disinvestment in order to bring the value of the indicator back to levels considered as acceptable).

With regard to investment performance, the performance of investee companies and sovereign issuers will be assessed with respect to individual indicators on the basis of predefined minimum/maximum thresholds.

Issuers (enterprises or sovereign issuers) and funds, based on the value of the indicator, are ordered from highest to lowest.

For each indicator, all underlyings (firms, sovereign issuers, and the funds) are sorted as follows:

- up to the 10th percentile⁸ (underlyings in the red band)⁹;
- 10th to 50th percentile (underlyings in yellow band);
- above the 50th percentile (underlying in green band).

Based on the frequency with which each company, fund and sovereign issuer falls into the bands mentioned above, an overall band is assigned, based on the PAI indicators considered in the Group-level monitoring:

- red band: this category includes firms, funds and sovereign issuers that are characterized by negative performance in the majority (80%) of PAI indicators, taking into account the sector they belong to (if applicable);
- yellow band: this category includes firms, funds and sovereign issuers that are characterized by negative performance, but by number of indicators do not fall into the red band;

⁸ The percentile is the value of a (random) variable below which a certain percentage of the observation occurs.

⁹ For all PAI indicators, except "Board Gender Diversity" PAI (#13), the first tenth percentile corresponds to the underlyings with the highest (worst) values.

- green band: enterprises, funds and sovereign issuers with positive performance against 70% of the indicators fall into this category.

Any investments which are found to be among the main contributors to the anomalous trend of an indicator or which will once again fall under the red band due to their performance with respect to the applicable indicators may be subject to specific action aimed at mitigating the adverse impacts, which may include:

- engagement: in a long-term perspective, the initiation of engagement activities with enterprises whose progress will be assessed on the basis of performance linked to the PAIs;
- exclusion: for short-term action, the inclusion of the enterprise/fund/sovereign issuer in the exclusion lists;
- monitoring: the periodical monitoring of the negative performance of the enterprise/fund/sovereign issuer to ascertain the return of the PAI within an acceptable value range related to the nature of the PAI, sectoral levels (if available) and any commitments made.

The methodologies described take into account the probability and severity of the possible negative impacts of investment decisions as they will make it possible to identify the main contributors to the trends of the individual indicators.

The severity of the possible adverse effects and their potentially irreversible nature will be evaluated in the monitoring and in the definition of mitigation action.

Data sources

For the calculation of the PAI indicators, the Group relies on data provided by MSCI. In the event that data is unavailable, the Group adopts a conservative approach determined in function of the type of indicators and investment (direct/indirect), with the aim of providing an informative disclosure which is as complete and correct as possible.

In any case the Group is committed to the continuous improvement of the coverage and quality of data, periodically evaluating the presence of any new solutions which may improve the quality and completeness of the information. Moreover, also considering the materiality of the investments with respect to which the data may be incomplete, insufficient or missing, the Group will evaluate whether to adopt "best-effort" actions in an attempt to find the information by consulting, if possible, further data sources that may be available.

Several interlocutions with the infoprovder were pursued during the year to discuss methodological developments for calculating indicators and processes put in place to improve data quality. The infoprovder, based on the discussions it had with clients and the feedback it received, refined its methodologies and monitoring for improving data quality, see, for example, the cases of PAIs 7 and 11, described in [Table 1](#), and planned to release further improvements on the estimates for PAIs 5, 6, 9, and 12.

4. Engagement policies

In compliance with Directive (EU) 2017/828 (encouragement of the long-term commitment of shareholders - Shareholders Rights Directive II) and the relative Italian implementation regulation (Legislative Decree 49/2019, amending Legislative Decree 58/98), the Life Companies of the Insurance Group have communicated to the public that they have not adopted a commitment policy for their direct equity investments due to the margins of the same with respect to the assets under management and the asset equity in the portfolio.

Specific management mandates have been stipulated with the Delegated Managers for the remaining part of the portfolio. In relation to ESG issues, the Group Companies monitor the activity of "engagement" and "voting" carried out by the Delegated Managers and in particular with respect to issuers for which an engagement procedure has been established by the Investment Committee due to particularly negative performance levels in the area of sustainability. In these cases, the Group Companies indicate to the Delegated Managers the expected performance on the basis of which the progress of the engagement activity will be assessed.

If the engagement activities have not produced a mitigation of the principal negative impacts for more than one annual reporting period, Insurance Group's Companies will evaluate whether to strengthen the management mandates in order to provide for more effective methods of engagement.

5. References to international standards

Intesa Sanpaolo Vita Insurance Group adheres to the following principles and codes of conduct:

- United Nations Global Compact;
- Guidelines of the Organisation for Economic Co-operation and Development (OECD) for multinational companies;
- Principles for Sustainable Insurance (PSI);
- United Nations Environment Programme Finance Initiative (UNEP FI).

To ensure coherence between the commitments undertaken through adherence to these principles and its investment decisions, the Group monitors the principal negative impacts generated by its investments with reference to areas covered by the principles and codes of conduct listed above. In particular, compliance with the "United Nations Global Compact" initiative and the "Guidelines of the Organisation for Economic Co-operation and Development (OECD) for multinational enterprises" shall be assessed by the calculation and monitoring of the following indicators:

- violations of UN Global Compact principles and of the guidelines of the Organisation for Economic Co-operation and Development (OECD) for Multinational Enterprises;
- lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;
- absence of policies determined to combat active and passive forms of corruption.

Adherence to PSI and UNEP FI, by virtue of their macroscopic approach with regard to ESG issues, is guaranteed through the overall consideration of the PAIs, which have the aim of

identifying, assessing and managing risks and opportunities associated with environmental, social and governance factors.

The data necessary to evaluate compliance and alignment with these International Standards is obtained from MSCI. In particular, compliance and alignment are evaluated through the calculation and monitoring of the PAI indicators' values deemed to be particularly significant and the adoption of specific actions to mitigate adverse effects according to the methodologies described above, in order to promote ESG issues addressed by the Standards.

Alignment with the objectives established by the Paris Agreement

The Insurance Group joined the Net Zero Asset Owner Alliance (NZAOA) identifying the top 20 issuers responsible for 69% of the portfolio emissions that might be subject to engagement activities.

Furthermore, intermediate targets of 50% reduction of the "Carbon Intensity by EVIC" by 2029, to be reported in 2030, have been defined on the "Direct Investment" of segregated funds and own funds, defining Sub-Portfolio targets in line with global efforts to limit global warming. In line with the objectives set by joining the Alliance, the Group calculates and monitors – if necessary, including specific mitigation action on the basis of the analyses carried out - the following PAI indicators:

- carbon footprint;
- investments in companies without carbon emission reduction initiatives.

The latter indicator, in particular, allows to identify the share of companies in the portfolio that has not adopted emissions reduction initiatives aimed at aligning with the objectives set out in the Paris Agreements.

Furthermore, adhering to the Policy for the integration of the ESG Sustainability factors in the investment process, the Group has defined the application of exclusions or restrictions on the "Investment Universe" in relation to the issuers operating in sectors deemed to be not "socially responsible", including:

- companies that derive at least 18% of their turnover from mining or electricity production activities linked to thermal coal;
- companies that derive at least 10% of their turnover from unconventional oil & gas extraction activities.

Forward-looking climate scenario

The Group has adopted a framework for the inclusion of ESG risks, particularly considering climate change risk. The framework, which will continue to be developed and improved, includes a qualitative-quantitative assessment, to be carried out through:

- identification of macro-types of climate risk (physical risks and transition risks);
- evaluation of the materiality of these risks given business type of the Insurance Group;
- conducting scenario analysis for risks deemed material.

To this end, the scenarios provided by "Network for Greening the Financial System" (NGFS), updated to the third version released at the end of 2022, have been adopted. Among the available scenarios, the "Delayed Transition" scenario has been used, which simulates a delayed and disorderly transition to a "green economy" due to the postponed adoption of greenhouse gas emission reduction policies by national governments.

For the implementation of this scenario, the **Climate Value-at-Risk model** (hereinafter referred to as "CVaR") provided by MSCI was used. This model quantifies, in percentage terms, the potential impact of different climate scenarios on the market value of a security. For the analyses, it was decided to use the information available from the model at single asset level ("instrument") rather than at issuer level ("issuer"): this allowed to consider the specific characteristics of each portfolio element, such as, for example, the sector and the risk mitigation strategies adopted by the company.

The CVaR estimates for each asset were subsequently aggregated by jointly considering information on physical risk, policy risk and technological opportunities ("Aggregated CVaR"). The findings from these analyses, summarized in the annual report "Own Risk and Solvency Assessment" (ORSA), provided a global view of the risk degree of the Insurance Group's portfolio and individual Companies with respect to climate changes and an assessment of possible impacts on solvency.

6. Historical comparison

As of 2024, only two periods have been reported (periods shown in Tables 1, 2 and 3). For this reason, "Historical comparison" will be compiled from the year 2025.